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Testimony of Larry Alexander
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To Michigan House Tourism and Outdoor Recreation Committee
Monday, April 27, 2015
The Henry Ford

Good morning Chairman Rendon, Minority Vice Chair Smiley and the distinguished members of the House Tourism & Outdoor Recreation Committee. It is my pleasure and honor to come before you today to give you my perspective on the challenges we face and opportunities we see to spur economic growth by promoting Southeast Michigan and the state to visitors and organizations looking for convention and meeting locations.

Many times we have been our own worst critics, focusing on negatives that keep us apart instead of the positives that link us together. We take for granted assets we have that can and do attract visitors from throughout the United States and around the world.

One of the attractions that we have that is truly unique to the state of Michigan and our Southeast Michigan region is where we are today – The Henry Ford. There is no other place like it anywhere in the world. A couple of weeks ago, on the 150th anniversary of the assassination of President Abraham Lincoln, The Henry Ford featured an exhibit of the very chair the president sat in when John Wilkes Booth fired the fatal shot during a performance of "Our American Cousin" at Ford's Theater in Washington.

That chair could have been displayed at Ford's Theater, at the Smithsonian on the National Mall, the White House or the Capitol Building in Washington. But instead, it was here at The Henry Ford, which also sets itself apart as the only place you can get a walking tour of the birth of the electric power, communications and automotive industries, among other famous attractions. Dare I say it's our EPCOT Center?

We often are so bogged down with the local affairs of city and state that we don't appreciate the legitimate selling points that make our state and region an attractive destination for tourists, meetings and conventions. But I assure you that internationally, Detroit is, indeed, the motor capital of the world, the home of electronic music and the Motown Sound, the Arsenal of Democracy, home to some very well-run professional sports teams, and a location rich in arts and entertainment.

Domestically, we aren't completely out of the woods we built for ourselves through mistrust, poor fiscal management and our failure in previous attempts to fight blight and crime. But you can see that Michigan is on the rebound, that Detroit has turned around and is heading in a healthy direction, relieved of a mountain of debt. And we've seen real, dramatic change in downtown Detroit – once unimaginable – because of a huge

influx of local and foreign investment – respected business leaders betting their billions of dollars that Michigan is primed for a rebirth in the 21st Century. Yet, it's hard to convince domestic news media, which for so long feasted on stories of dysfunctional Detroit, that a different, positive dynamic operates here today.

The point of all this is to say that I believe momentum has swung in our direction and the messages of our bragging rights are finding receptive ears. Detroit, Southeast Michigan and the state are starting to be cool again. But we aren't there yet, and this is a time when we have to exercise caution in doing things that preserve the fragile progress we've made and the momentum we've begun.

You asked me to testify before you today so I could give you the ideas of the Detroit Metro Visitors & Convention Bureau about what tools that the Michigan Legislature can use to enable us and other organizations help our state grow and prosper economically. The first thing I'd like to say is that I don't pretend to be a doctor, and I don't know much about Hippocrates, but I do know that the basic principle of the Hippocratic oath that all doctors take is to "do no harm." A good reputation is hard to earn, easy to lose, and difficult to regain. Indiana found that out recently when it enacted legislation ostensibly to preserve freedoms for local constituents, only to find that it sorely offended groups that were ready to spend millions of dollars to bring meetings and conventions to that state.

I understand that "all politics are local," and that the voters who send representatives to city halls and legislatures are motivated by things happening in their localities. Fortunately, the state Legislature realized in several recent examples that economic development and progress depend on leaders convincing constituents that our sprawling state and region move forward faster by identifying the common ground that link the interests of, say, Lake City, to those of Ray Township, Mancelona, Harrison Township, Presque Isle, Grand Blanc, Grand Rapids and Detroit.

The Legislature did that by creating the Detroit Regional Convention Facility Authority, which I proudly serve as chairman, to manage the successful turnaround of Cobo Center. It did it with Belle Isle, helping preserve the Detroit Institute of Arts, and by helping Detroit through a difficult bankruptcy. We have not yet seen how the regional water authority and regional transit authority will make their mark on our forward progress.

I want to give you more than my opinion about how successful investments in marketing our region as a destination can be – and I don't mean simply the feel-good ads we see for Pure Michigan. A brand-new study by Oxford Economics of 200 cities in the U.S. over 20 years clearly shows that destination marketing raises incomes, grows spending on consumer travel, and spurs employment in the travel economy. Destination promotion raises the profile of the destination, which helps bring in important meetings and conventions, which bring in business leaders and economic development decision-makers from all over the world. It sustains our excellent air travel infrastructure. It spurs international trade. It helps raise tax revenue without raising local taxes.

We have made significant progress at moving Cobo Center to a profitable operating posture while wisely investing 279 million in taxpayer dollars on a capital improvement project that has been on time, on budget, and built to specs – in fact, because of smart decisions, it will be better than promised when it is fully complete in just two months.

The new facilities, which look like a billion dollars while costing a fraction of that, are bringing in new, highly influential events that are filling up our calendar and showing the world that Detroit and Michigan are ready and able to flawlessly plan and execute big events that satisfy the attendees and visitors they attract. Whatever politics you support, every visit by the Vice President to make a speech here, every visit by the governor, every candidate or business leader who speaks before the Economic Club of Detroit sends a message to the world that we can make things sparkle here in Southeast Michigan and the rest of the state.

I will just mention the obvious that the North American International Auto Show is one of the world's most prestigious events that not only brings in billions of dollars of economic activity, but captivates the world for a month and makes us look like a jewel in January.

And in many cases, those meeting, conference and convention attendees want to be entertained. They need to get to downtown Detroit, or any other venue, from the airport. They can't all afford to rent cars or drivers or charter buses to take them around.

To that end, one thing we need to see in our region is a comprehensive mass transit system that can get tourists and visitors from the airport to downtown and help them take advantage of our great attributes like the Partridge Creek Mall in Macomb County, the Sea Life Aquarium in Oakland County and The Henry Ford right here. The M1 Rail project is a good start. But we need a functional, easy-to-use mass transit system that ties our spread-out region together to spur job growth and give visitors easy access to attractions, shopping, venues and entertainment.

Let's not make headlines highlighting the negatives that encourage news organizations to harken back to our recent dysfunctional past. Let's promote and develop the great positives that we have going for us.

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